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The AGRICULTURAL OUTLOOK DIGEST

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

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BAE

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Farm production this year, crop and livestock, may be about the same as the record set in 1952.

The third largest crop output on record was indicated by our crop report of July 1. Yields in general are expected to be good. Farmers are likely to harvest as many acres as in 1952, despite heavy losses in the drought stricken central and southern Great Plains.

Here's how the production outlook for several crops, as indicated July 1, compares with last year and average:

	July 1 Indication (in millions)	% Change from 1952	% Change from 1942-51
Corn, bu.	3,337	+ 1	+ 10
Wheat, bu.	1,175	- 8	+ 8
Oats, bu.	1,319	+ 4	0
Rice, (100 lb. bags)	48	0	+ 38
Hay, tons	105	+ 1	+ 3
Potatoes, bu.	377	+ 8	- 8
Sweetpotatoes, bu.	33	+ 16	- 40
Tobacco, lbs.	2,125	- 6	+ 9
Apples, bu.	102	+ 11	- 6
Peaches, bu.	64	+ 2	- 5
Pears, bu.	31	0	+ 2

Production of cotton and soybeans will not be forecast until August. However, the acreage of cotton in cultivation July 1 was down 9% from 1952; the acreage of soybeans for harvest is up 1%.

Among livestock products, largest increase over last year is shown by cattle; slaughter the first half of 1953 was up 30% from a year earlier. The milk flow continues above 1952. Egg production is running close to last year's levels and chicken meat output is higher. Sheep and lamb slaughter is up. On the other hand, hog and turkey production are down.

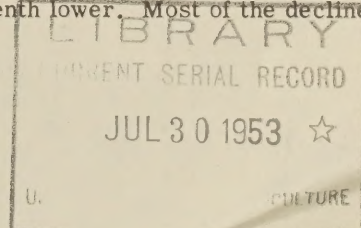
In addition to this year's output, we have large quantities of several commodities carried over from past years. Wheat reserves on July 1 were more than double those of a year earlier. A corn carryover of around 800 million bushels is in prospect for next October 1. Cotton stocks on August 1 probably will be nearly double the 1952 figure. Stocks of food fats next October 1 are likely to be largest of record. More linseed oil and flaxseed are on hand than usually is used in a year. Large quantities of butter, cheese and nonfat dry milk acquired under price support operations are in government stocks.

High production is the keynote in industry as well as agriculture. Factory production is running just below record levels. Outlays for new construction were highest on record the first half of this year. However, industrial output probably is leveling off.

High levels of employment and income are keeping U. S. demand generally strong. Foreign demand for farm products, however, remains at the reduced level of last year. Total exports in 1953-54 are not likely to rise much above 1952-53, though prospects are a little brighter for cotton, tobacco and some of the oils.

With supplies large and no overall increase in demand likely, price support operations probably will continue important in sustaining the level of farmers' prices the rest of the year.

FARM INCOME Cash receipts of farmers from sales of products in the first half of 1953 dropped 5% from a year earlier to \$12.6 billion. Marketings were up but prices averaged a tenth lower. Most of the decline was in livestock products, mainly cattle and calves.



LIVESTOCK AND MEAT Prices of beef cattle have risen from their June lows. Prices of top grades are expected to stay at a higher level than in recent months. Number of cattle and calves on feed July 1 was up 4 to 5% from a year earlier. The increase was 12 to 14% on April 1; 16% on January 1.

Prices of lower grade cattle are expected to continue to fluctuate considerably the rest of 1953. No pronounced trend in either direction is likely.

A seasonal decline in hog prices probably will begin in late summer. Prices have risen steadily so far this year.

A seasonal decline in prices of sheep and lambs is expected this fall as slaughter picks up. However, rise in slaughter probably won't be as great as last fall. It has been running about 15% above a year earlier so far in 1953 as spring lambs were marketed earlier and numbers of sheep and lambs were reduced.

DAIRY PRODUCTS The milk flow in June showed a smaller increase over a year earlier than in any other month so far this year. Partly responsible was the deterioration of pastures.

About the same amount of fluid milk and cream is being consumed per person as a year ago. With milk output up, most of the increase is going into butter, powder and cheese, products being bought by the Government for price support.

POULTRY AND EGGS Egg prices have more than recovered the loss of early July, and a further seasonal rise is likely. Output this fall is likely to be above last year but shell egg stocks are lowest on record.

Chick placements indicate marketings of commercial broilers will continue large for 2 or 3 months. Marketings of chickens from farm flocks are increasing seasonally.

FATS AND OILS The decline in output of food fats expected this year probably will be offset by record carryover. Supplies for 1953-54 probably will be about the same as in 1952-53. Exports of food fats in the first 5 months of this year were down 40 percent from the same period of 1952. About half of the drop was in lard. Smaller supplies in other exporting areas may lead to some increase in exports the latter part of 1953.

FEEDS Mid-year prospects indicate that the supply of feed concentrates for 1953-54 will be 6% above this year and only slightly below the 1950-51 record.

The corn supply—crop plus carryover—is likely to be largest on record. If the July 1 prospect materializes, prices at harvest time probably will again be well below the support price.

WHEAT Wheat producers will vote August 14 on whether to use quotas in marketing the 1954 crop. Approval of two-thirds of those voting is required to make quotas effective. Growers with more than 15 acres planted to wheat and with normal production of 200 bushels or more are eligible to vote. The national acreage allotment, on which quotas will be based, is 62 million acres, 16.6 million less than the acreage planted for the 1953 crop.

Wheat prices have risen above levels reached earlier this season in most markets, but remain well below loan levels.

FRUIT Compared with last year, smaller crops of grapes, sweet cherries, pears and strawberries and larger crops of apples, apricots, sour cherries, peaches and plums is expected. Stocks of canned and frozen fruits are considerably smaller than a year ago.

VEGETABLES This year's potato crop will be about 29 million bushels larger than last year's, July 1 conditions indicate. About 12 million of the gain was in early potatoes. Another 4 million is in the intermediate crop which was small last year. However, delayed marketings from the early crop will interfere with marketings of intermediate crop potatoes. The late crop is estimated to be 13 million above a year earlier.

The sweetpotato crop, up 16% from 1952, probably will bring prices moderately below last year's.

COTTON Production of cotton in foreign non-communist countries may be 500 thousand to a million bales smaller than last year, preliminary estimates indicate. However, stocks of cotton in some foreign exporting countries are large. Consumption abroad in 1953-54 is likely to be about the same, or perhaps a little higher than in the current season. These prospects indicate that exports from the U. S. are likely to fall within the 3 to 4 million bale range. Exports of 3.2 million are estimated for this year.

On July 1, 24.6 million acres of cotton were in cultivation in the U. S., 2.3 million less than a year ago. First official estimate of cotton production this season will be issued August 10.

TOBACCO Fairly strong domestic demand for the flue-cured crop is expected this season. The Georgia and Florida auctions began July 16 and prices for the first 4 days' sales averaged 51.7 cents per pound, slightly higher than in the same period last year. Exports are likely to be about the same, or possibly a little larger than last year. The 1953 crop was estimated on July 1 to be down about 3 percent from 1952 but the fourth largest on record.